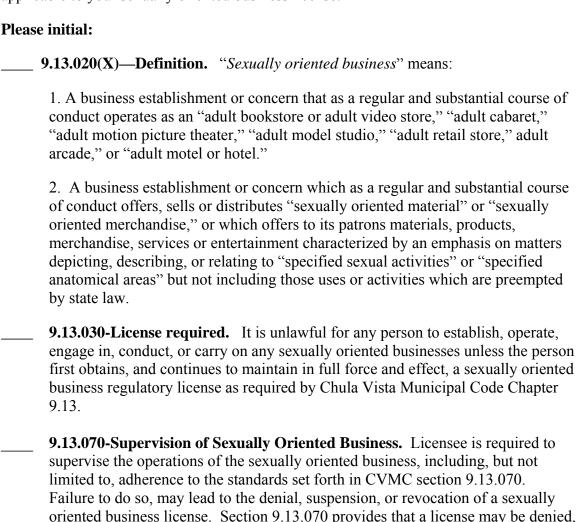
CITY OF CHULA VISTA-DEVELOPMENT SERVICES DEPARTMENT SEXUALLY ORIENTED BUSINESS LICENSE

Statement Of Understanding Operating Requirements and Regulations

PLEASE READ CAREFULLY: All applicants must complete a "Statement of Understanding-Operating Requirements and Regulations." It is unlawful for any person to establish, operate, engage in, conduct, or carry on any sexually oriented businesses without a City issued license as required by Chula Vista Municipal Code Chapter 9.13. A sexually oriented business license is valid for one year. No renewal notice will be mailed. As a holder of such a license you are required to comply with the provisions of Chula Vista Municipal Code Chapter 9.13. Copies of the Chapter 9.13 may obtained from the Chula Vista City Clerk's Office located at 276 Fourth Avenue, Bldg. 100, Chula Vista, CA 91910. The following is a summary of some, but not all, of the provisions applicable to your sexually oriented business license:



1. The licensee, operator, or manager has knowingly allowed or permitted, or has failed to make a reasonable effort to prevent the occurrence of a specified

suspended, or revoked for violations, including, but not limited to, the following:

criminal activity on the premises of the sexually oriented business, or has been convicted of a specified criminal activity.

2. An act or omission in violation of any of the requirements of this Chapter [9.13] if such act or omission is with the knowledge, authorization, or approval of the licensee or is as a result of the licensee's negligent supervision of the employees of the sexually oriented business. This includes the allowance of activities that are or become a public nuisance which includes the disruptive conduct of business patrons whether on or immediately off the premises where such patrons disturb the peace, obstruct traffic, damage property, engage in criminal conduct, violate the law and otherwise impair the free enjoyment of life and property.
9.13.100Operating standards. CVMC 9.13.100 sets forth operating standards. Compliance with the operating standards is required and failure to do so may lead to sanctions, including but not limited to, the denial, suspension, or revocation of a sexually oriented business license. The operating standards include the following:
Hours of operation. It shall be unlawful for any owner, operator, manager or employee of a sexually oriented business to allow such sexually oriented business to remain open for business, or to license any employee to engage in a performance, solicit a performance, make a sale, solicit a sale, provide a service, or solicit a service, between the hours of 2:00 a.m. and 6:00 a.m. of any day excepting here from an "adult hotel/motel."
On-site manager. All sexually oriented businesses shall have a responsible person who shall be at least 18 years of age and shall be on the premises to act as manager at all times during which the business is open. No performer may serve as the manager. The individual(s) designated as the on-site manager shall provide his/her name to the Chief of Police to receive all complaints and be given by the owner and/or operator the responsibility and duty to address and immediately resolve all violations taking place on the premises. An individual cannot serve as an on-site manager if he/she has pled guilty or pled nolo contendere or been convicted of a specified criminal activity.
<i>Interior of premises</i> . No exterior door or window on the premises of a sexually oriented business shall be propped or kept open at any time while the business is open and any exterior windows shall be covered with opaque coverings at all times.
Displays of sexually oriented materials. All displays of materials characterized or distinguished on matters describing or relating to "specified sexual activities" or "specified anatomical areas," as defined in this code, shall be completely screened

from public view as viewed from adjacent sidewalks or public rights-of-way.

 <i>Signs</i> . All sexually oriented businesses shall comply with the following sign requirements, in addition to those provided elsewhere in this Code. Should a conflict exist between the requirements of other provisions of the Code and this subsection, the more restrictive shall prevail.
If a sexually oriented business does not serve alcohol, it shall post a notice prior to entry to the area of public assembly and within ten feet (10') of every entrance used by customers for access to the establishment, stating that persons below the age of eighteen (18) years of age are prohibited from entering onto the premises or within the confines of the sexually oriented business. This notice shall be posted on a wall in a place of prominence. The dimensions of the notice shall be no less than six inches (6") by six inches (6"), with a minimum typeface of 25 points. If the sexually oriented business serves alcohol, it shall comply with all notice and posting requirements of the Alcoholic Beverage Control Department.
Exterior lighting requirements. All exterior areas, including parking lots, of the sexually oriented business shall be illuminated at a minimum of 1.50 foot candle, maintained and evenly distributed at ground level with appropriate devices to screen, deflect or diffuse the lighting in such manner as to prevent glare or reflected light from creating adverse impacts on adjoining and nearby public and private properties and to avoid night pollution. Inoperable and/or broken lights shall be replaced within twenty-four (24) hours.
Interior lighting requirements. All interior areas of the sexually oriented business excepting there from adult hotels/motels shall be illuminated at a minimum of 1.00 foot candle, maintained and evenly distributed at floor level. Inoperable and/or broken lights shall be replaced within twenty-four (24) hours, excepting here from an adult hotel/motel.
Regulation of public restroom facilities. If the sexually oriented business provides restrooms for patron use, it shall provide separate restroom facilities for male and female patrons. The restrooms shall be free from sexually oriented material. Only one (1) person shall be allowed in each restroom at any time, unless otherwise required by law, in which case the sexually oriented business shall employ a restroom attendant of the same sex as the restroom users who shall be present in the public portion of the restroom during operating hours. The attendant shall insure that no person of the opposite sex is permitted into the restroom, and that not more than one (1) person is permitted to enter a restroom stall, unless otherwise required by law, and that the restroom facilities are used only for their intended sanitary purposes. Access to restrooms for patron use shall not require passage through an area used as a dressing area by performers.
<i>Trash</i> . All interior trash cans shall be emptied into a single locked trash bin lined with a plastic bag or with individually bagged trash at least once a day. At least four (4) times a day, the front and rear exteriors of any sexually oriented business, along with the parking lot, shall be inspected for trash and debris and any trash

and debris found shall be immediately removed and placed into a single locked trash bin lined with a plastic bag.

Sexually oriented business offering adult live entertainment - additional operating requirements. The following additional requirements shall apply to sexually oriented businesses providing adult live entertainment:

- 1. No person shall perform adult live entertainment for patrons of a sexually oriented business except upon a permanently fixed stage at least eighteen inches (18") above the level of the floor, and surrounded with a three foot (3') high barrier or by a fixed rail at least thirty inches (30") in height. No patron shall be permitted on the stage while the stage is occupied by a performer(s) and/or adult cabaret dancer(s). This provision shall not apply to an individual viewing area where the performer is completely separated from the area in which the performer is viewed by an individual by a permanent, floor to ceiling, solid barrier.
- 2. No performer or adult cabaret dancer shall be within six feet (6') of a patron, measured horizontally, while the performer or adult cabaret dancer is performing adult live entertainment. While on stage, no performer or adult cabaret dancer shall have physical contact with any patron, and no patron shall have physical contact with any performer or adult cabaret dancer.
- 3. As to off stage performances, no performer or adult cabaret dancer shall perform "adult live entertainment" off stage. As to an adult cabaret dancer performing off stage, a distance of at least six feet (6') shall be maintained between the adult cabaret dancer and the patron(s) at all times. During off stage performances, no adult cabaret dancer shall have physical contact with any patron, and no patron shall have physical contact with any adult cabaret dancer.
- 4. In addition, while on the premises, no performer or adult cabaret dancer shall have physical contact with a patron and no patron shall have physical contact with a performer or adult cabaret dancer, which physical contact involves the touching of the clothed or unclothed genitals, pubic area, buttocks, cleft of the buttocks, perineum, anal region, or female breast with any part or area of any other person's body either before or after any adult live entertainment or off stage performances by such performer or adult cabaret dancer. Patrons shall be advised of the no touching requirements by signs and, if necessary, by employees of the establishment. This prohibition does not extend to incidental touching.
- 5. Patrons shall be advised of the separation and no touching requirements by signs conspicuously displayed and placed on the barrier between patrons and performers and utilizing red or black printing of letters not less than one inch (1") in size. And, if necessary, patrons shall also be advised of the separation and no touching requirements by employees of the establishment.

- 6. All employees of the sexually oriented facility, except therefrom performers while performing on the fixed stage, while on or about the premises or tenant space, shall wear at a minimum an opaque covering which covers their specified anatomical areas.
- 7. Patrons shall not throw money to performers, place monies in the performers' costumes or otherwise place or throw monies on the stage. If patrons wish to pay or tip performers, payment or tips may be placed in containers. Patrons shall be advised of this requirement by signs conspicuously displayed and placed on the barrier between patrons and performers and utilizing red or black printing of letters not less than one inch (1") in size. If necessary, patrons shall also be advised of the tipping and gratuity requirements by employees of the sexually oriented business.
- 8. The sexually oriented business shall provide dressing rooms for performers, that are separated by gender and exclusively dedicated to the performers' use and which the performers shall use. Same gender performers may share a dressing room. Patrons shall not be permitted in dressing rooms.
- 9. The sexually oriented business shall provide an entrance/exit to the establishment for performers that is separate from the entrance/exit used by patrons, which the performers shall use at all times.
- 10. The sexually oriented business shall provide access for performers between the stage and the dressing rooms that is completely separated from the patrons. If such separate access is not physically feasible, the sexually oriented business shall provide a minimum three foot (3') wide walk aisle for performers between the dressing room area and the stage, with a railing, fence or other barrier separating the patrons and the performers capable of (and which actually results in) preventing any physical contact between patrons and performers and the patrons must also be three feet (3') away from the walk aisle. Nothing in this section is intended to exempt the sexually oriented business from compliance with the provisions of Title 24 of the California Code of Regulations pertaining to handicapped accessibility.
- 11. All sexually oriented businesses featuring live entertainment shall employ security guards in order to maintain the public peace and safety, based upon the following standards:
 - **a.** Provide at least one security guard at all times while the business is open.
 - **b.** If the occupancy limit of the premises is greater than 21 persons, an additional security guard shall be on duty.
 - c. Security guard(s) shall be charged with preventing violations of law and enforcing compliance by patrons with the requirements of these regulations. Security guard(s) shall be uniformed in such a manner so as to be readily identifiable as a security guard by the public and shall

- **d.** Between the hours of 8:00 p.m. and thirty (30) minutes after the established closing time of the facility, security guard(s) shall regularly patrol the parking lot and adjacent outdoor areas of the facility to maintain order therein and prevent any illicit or nuisance activity.
- **e.** Security guard(s) shall be regularly posted at the doors used by the performers when said doors are in use.
- f. The sexually oriented business shall provide a security system that visually records and monitors all parking lot areas as well as all entrances and exits to or from the facility. The recordings shall have sufficient definition/fidelity to allow for identification of persons entering or exiting the premises. These recordings shall be retained on site for 30 days and shall be made available within 24 hours if requested by a member of the City police department or other police officer for a legitimate law enforcement purpose.

Adult motion picture theater additional operating requirements. The
following additional requirements shall apply to adult motion picture theaters

- 1. If the theater contains a hall or auditorium area, the area shall comply with each of the following provisions:
 - a. Have individual, separate seats, not couches, benches, or the like, to accommodate the maximum number of persons who may occupy the hall or auditorium area;
 - b. Have a continuous main aisle alongside the seating areas in order that each person seated in the hall or auditorium area shall be visible from the aisle at all times; and
 - c. Have a sign posted in a conspicuous place at or near each entrance to the hall or auditorium area which lists the maximum number of persons who may occupy the hall or auditorium area, which number shall not exceed the number of seats within the hall or auditorium area.

 Employment of and services rendered to persons under the age of eighteen (18) years prohibited; twenty-one (21) if liquor is served.
 Employees. Employees of a sexually oriented business must be at least eighteen (18) years of age. It shall be unlawful for any person with influential interest,
manager or other person in charge of any sexually oriented business to employ,
contract with, or otherwise retain any services in connection with the sexually

oriented business with or from any person who is not at least eighteen (18) years of age. If liquor is served at the sexually oriented business, employees of the sexually oriented business must be at least twenty-one (21) years of age. If liquor is served at the sexually oriented business, it shall be unlawful for any person with influential interest, manager or other person in charge of any sexually oriented business to employ, contract with, or otherwise retain any services in connection with the sexually oriented business with or from any person who is not at least twenty-one (21) years of age. And said persons shall exercise reasonable care in ascertaining the true age of persons seeking to contract with, be employed by, or otherwise service the sexually oriented business. Patrons. Patrons of a sexually oriented business must be at least eighteen (18) years of age. It shall be unlawful for any person with influential interest, manager or other person in charge of any sexually oriented business to permit to enter or remain within the sexually oriented business any person who is not at least eighteen (18) years of age. If liquor is served at the sexually oriented business, patrons must be at least twenty-one (21) years of age. If liquor is served at the sexually oriented business, it shall be unlawful for any person with influential interest, manager or other person in charge of any sexually oriented business to permit to enter or remain within the sexually oriented business any person who is not at least twenty-one (21) years of age. And said persons shall exercise reasonable care in ascertaining the true age of persons entering the sexually oriented business. X-rated movies. The selling, renting and/or displaying of x-rated movies, videotapes, digital video discs (DVDs), compact discs CDs) and laser discs shall be restricted to persons over eighteen (18) years of age. If an establishment that is not otherwise prohibited from providing access to the establishment to persons under eighteen (18) years of age sells, rents, or displays movies, videos, DVDs, CDs or laser discs that have been rated "X" or rated "NC-17" by the motion picture rating industry ("MPAA"), or which have not been submitted to the MPAA for a rating, and which consist of images that are distinguished or characterized by an emphasis on depicting or describing specified sexual activities or specified anatomical areas, said movies, videos, DVDs, CDs, and laser discs shall be located in a specific section of the establishment where these items are not visible to persons under the age of eighteen (18) and from which persons under the age of eighteen (18) shall be prohibited. I have read and understand the operating requirements and regulations summarized above. I understand it is my responsibility to be familiar with all laws and regulation governing this activity. I understand that my sexually oriented business license is subject to sanctions, including, but not limited to, the denial, suspension, or revocation of a permit for any violation of the laws and regulations governing my sexually oriented business. Applicant Signature: Date:

Applicant Name: